

SERFF Tracking Number: UHLC-126632226 State: Rhode Island

First Filing Company: UnitedHealthcare of New England, Inc. (Rhode Island), ... State Tracking Number:

Company Tracking Number:

TOI: H15G Group Health - Hospital/Surgical/Medical Sub-TOI: H15G.001 Any Size Group Expense

Product Name: RI Small and Large Group Rate Filings

Project Name/Number: /

Filing at a Glance

Companies: UnitedHealthcare of New England, Inc. (Rhode Island), UnitedHealthcare Insurance Company
 Product Name: RI Small and Large Group Rate SERFF Tr Num: UHLC-126632226 State: Rhode Island
 Filings

TOI: H15G Group Health - Hospital/Surgical/Medical Expense	SERFF Status: Assigned	State Tr Num:
Sub-TOI: H15G.001 Any Size Group	Co Tr Num:	State Status:
Filing Type: Rate	Author: Elvira Tananykin	Reviewer(s): Charles DeWeese, John Cogan
	Date Submitted: 05/17/2010	Disposition Date:
		Disposition Status:
Implementation Date Requested: On Approval		Implementation Date:
State Filing Description:		

General Information

Project Name:	Status of Filing in Domicile:
Project Number:	Date Approved in Domicile:
Requested Filing Mode:	Domicile Status Comments:
Explanation for Combination/Other:	Market Type: Group
Submission Type: New Submission	Group Market Size: Small and Large
Overall Rate Impact:	Group Market Type: Employer
Filing Status Changed: 05/18/2010	Explanation for Other Group Market Type:
	State Status Changed:
Deemer Date:	Created By: Elvira Tananykin
Submitted By: Elvira Tananykin	Corresponding Filing Tracking Number:
Filing Description:	
The following documents are included in the filing:	

- Rate factor template for large group and small employer groups.
- Small group rate manual.
- Completed Provider Plan Contracting Survey.
- Completed Resources for Health Systems Improvement Survey.

SERFF Tracking Number: UHLC-126632226 State: Rhode Island

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- Completed Administrative Costs Survey.
- Explanation of medical trend development process.

Company and Contact

Filing Contact Information

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 Trumbull, CT 06611 203-459-3242 [FAX]

Filing Company Information

UnitedHealthcare of New England, Inc. (Rhode Island)	CoCode: 94149	State of Domicile: Rhode Island
475 Kilvert St., Suite 310	Group Code: -99	Company Type: HMO
Warwick, RI 02886-1392	Group Name:	State ID Number:
(952) 992-4793 ext. [Phone]	FEIN Number: 05-0413469	

UnitedHealthcare Insurance Company	CoCode: 79413	State of Domicile: Connecticut
450 Columbus Boulevard	Group Code: 707	Company Type: Life and Health
PO Box 150450	Group Name:	State ID Number:
Hartford, CT 06115-0450	FEIN Number: 36-2739571	
(860) 702-5000 ext. [Phone]		

Filing Fees

Fee Required? Yes

Fee Amount: \$100.00

Retaliatory? No

Fee Explanation: \$40 for UHCNE and \$60 for UHIC

Per Company: Yes

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
UnitedHealthcare of New England, Inc. (Rhode Island)	\$40.00	05/17/2010	36600329

SERFF Tracking Number: UHLC-126632226 State: Rhode Island
First Filing Company: UnitedHealthcare of New England, Inc. (Rhode State Tracking Number:
Island), ...
Company Tracking Number:
TOI: H15G Group Health - Hospital/Surgical/Medical Sub-TOI: H15G.001 Any Size Group
Expense
Product Name: RI Small and Large Group Rate Filings
Project Name/Number: /
UnitedHealthcare Insurance Company \$60.00 05/17/2010 36600330

SERFF Tracking Number: UHLC-126632226 State: Rhode Island

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TOI: H15G Group Health - Hospital/Surgical/Medical Sub-TOI: H15G.001 Any Size Group Expense

Product Name: RI Small and Large Group Rate Filings

Project Name/Number: /

Supporting Document Schedules

	Item Status:	Status Date:
Bypassed - Item: Actuarial Certification - Life & A&H		
Bypass Reason: na		
Comments:		

	Item Status:	Status Date:
Satisfied - Item: Actuarial Memorandum - A&H Rate Revision Filing		

Comments:
The Actuarial Memorandum describes the analysis done in support of the small employer rates to be charged effective January 1 2011 and how the factors contained in small employer template will be used in the rating.

Attachment:
RI Small Group Actuarial Memorandum.pdf

	Item Status:	Status Date:
Bypassed - Item: A&H Experience		
Bypass Reason: na		
Comments:		

	Item Status:	Status Date:
Bypassed - Item: Exhibits - A&H		
Bypass Reason: na		
Comments:		

	Item Status:	Status Date:
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SERFF Tracking Number: UHLC-126632226 State: Rhode Island

First Filing Company: UnitedHealthcare of New England, Inc. (Rhode State Tracking Number: Island), ...

Company Tracking Number:

TOI: H15G Group Health - Hospital/Surgical/Medical Sub-TOI: H15G.001 Any Size Group Expense

Product Name: RI Small and Large Group Rate Filings

Project Name/Number: /

Satisfied - Item: Premium Rate Sheets - Life & A&H

Comments:

Rate Filing Templates and SG rate manual are attached under this section.

Attachments:

1-1-2011 RI SG Rate Manual.pdf
2011-01 RI SG and LG Rate Filing Templates.pdf

Item Status: **Status Date:**

Bypassed - Item: Health Insurance Checklist

Bypass Reason: na

Comments:

Item Status: **Status Date:**

Satisfied - Item: Cover letter and other supporting documents

Comments:

- Cover letter
- Explanation of medical trend development process.
- Completed Provider Plan Contracting Survey.
- Completed Resources for Health Systems Improvement Survey.
- Completed Administrative Costs Survey.

Attachments:

Cover Letter-RI January 1, 2011 SG Rate Filing.pdf
Description Trend Development.pdf
RIRateFiling_2011_Admin Costs_FINAL.pdf
UnitedHealthcare Health System Improvement Survey 5 17 2010.pdf
UnitedHealthcare Provider Contracting Practices.pdf

UnitedHealthcare of New England, Inc. and United HealthCare Insurance Company
Small Group Trend Filing – January 1, 2011
Actuarial Memorandum

This Actuarial Memorandum describes the analysis done in support of the small employer rates to be charged effective January 1, 2011 and how the factors contained in small employer template will be used in the rating.

The following items identify the elements of the rates that we are changing since our last update.

We have used United's standard Small Business Base Rate Review process. This process compares current manual premium rates to the needed revenue. It is an automated and standardized process used across all legacy UHC markets to test the adequacy of the current manual rates and to determine if a pricing adjustment to manual rates is required. Pages 3 and 4 of the Small Group Rate Manual provide an exhibit and the description of the Small Group Base Rate Review methodology. Using this process, we determined that the January 1, 2011 base rates for Small Group need to be increased by 7.3%, however we are recommending 4%. The rates for all subsequent months will be trended by 1/12 of the 2011 proposed 11.8% medical and 10.5% pharmacy pricing trends reflected on the Small Group template. An explanation of the trend development support trend template is included in this filing.

Retention, for Small Groups, has been updated to reflect the expenses for United HealthCare Insurance Company separate from United HealthCare of New England. Attachment 2 of the Small Group Rate Manual illustrates the revision and the components of trend that are administrative expenses, profit and commissions specifically for Small Group. Our target loss ratio is 17.3%, however our expected loss ratio with the base rate increase that we are proposing is 14.6% (displayed on the template).

***UnitedHealthcare of New England and United HealthCare
Insurance Company***

Rhode Island Small Business Rating Manual

Updated For 1/1/2011 and Later Rating Periods

UnitedHealthcare of New England and United HealthCare Insurance Company
Rhode Island Small Business Rating Manual

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UnitedHealthcare of New England and United HealthCare Insurance Company

Base Rate Review Process Overview:

Base Rate Review is a process that compares current manual premium rates to the needed revenue. It is automated and standardized process used across all legacy UHC markets to test the adequacy of the current manual rates and determine if pricing adjustment to manual rates is required.

The Base Rate Reviews start with actual net claim pmpms in a market, apply projected trend, and compare that result to the current manual rates in the market for the same age/gender, geographic, and benefit plan mix underlying the starting point claim experience. Since the data provides a direct mapping of membership to benefit plans, the average plan relatively adjustment in the BRR manual rate build is possible.

Rhode Island Small Business 1-50 2009Q4 Base Rate Review (Attachment 1)

Needed Revenue PMPM Development

Rhode Island Small Business 1-50 actual net medical and pharmacy claim pmpms data was pulled for the most recent CY 2009 experience period available. A capitation payment is added in to account for the capitated arrangements and other cost associated with affiliated agreements. Then it was trended forward to the projection period starting January 1, 2011, using 24 months of actual trends (11.8%medical/10.5%pharmacy). 2011 projected actual trends are provided and described in the RI Small Group Trend Template. Needed Revenue PMPM is then calculated by adjusting projected claims pmpm by appropriate retention load (Attachment 2).

Current Premium PMPM Calculation

Rhode Island Small Business 1-50 current manual rates are calculated for the January 1, 2011 effective date, using the most current rate manual on file. Then, manual rates are adjusted by age/gender and benefit plan mix underlying the starting point claim experience.

Supportable Pricing Adjustment

Current premium pmpm is compared to the needed revenue pmpm for the projection period starting January 1, 2011. The indication is that 7.3% pricing adjustment is needed. We are proposing a 4% base rate increase.

**Rhode Island
Small Business 1-50
2009Q4 Rate Review**

Attachment 1

Experience 2009Q1 - 2009Q4	
Member Months	217,945
Average Mbrs	18,162
Net Claims Medical PMPM*	\$218.83
Net Claims Pharmacy PMPM	\$40.75
Total Claim Cost	\$259.58
- Site Specific Cat Claim Level	(\$9.41)
+ Expected Cat Claim Level	\$19.75
<u>Subtotal</u>	<u>\$269.92</u>
X Annual Trend Forecast (for 24 months)**	11.6%
Claim Cost Subtotal	<u>\$336.17</u>
/ Target BCR	82.7%
Needed Revenue PMPM 1/1/2011 eff	\$406.50

Current Manual Rate	
Medical Base Rate 7/1/2010	\$386.86
X Average Med Plan Rel	0.7246
X Medical Pricing Trend	1.048
<u>Subtotal: Medical</u>	<u>\$293.72</u>
Pharmacy Base Rate	\$108.90
X Average Rx Plan Rel	0.5432
X Rx Pricing Trend	1.048
<u>Subtotal: Pharmacy</u>	<u>\$61.99</u>
<u>Subtotal = Medical + Pharmacy</u>	<u>\$355.71</u>
X Age/Sex Factors	1.0648
Current Undisc. Premium PMPM 1/1/2011 eff	\$378.76
Supportable Pricing Adjustment	7.3%
Recommended Action	4.0%

*Capitation payments for capitated arrangements, and other cost associated with affiliated agreements i.e. OPTUM SERVICES
 **Claims are projected using end of the experience period to the end of the projection period method, using 24 months of actual trends (11.8%medical/10.5%pharmacy)

UnitedHealthcare of New England and United HealthCare Insurance Company

Attachment 2
RETENTION

	United HealthCare of New England	United HealthCare Insurance Company
Administrative Expenses	12.0%	5.7%
Commissions	3.5%	3.5%
Investment Income Credit	-1.6%	-1.2%
Profit before taxes	3.4%	9.3%
Premium Tax	2.0%	2.0%
Estimated Federal Tax	0.4%	2.3%
Profit after taxes	1.0%	5.0%
Total Retention	17.30%	17.30%

UnitedHealthcare of New England and United HealthCare Insurance Company
Medical and Pharmacy Base Rates Development - January 1, 2011

Current Manual Rate	HMO/HMP	POS/EPO
Medical Base Rate-7-1-10	\$381.19	\$388.99
Pharmacy Base Rate-7-1-10	\$108.41	\$109.08
Retention Adjusted Rates*		
Medical Base Rate-7-1-10	\$378.42	\$386.17
Pharmacy Base Rate-7-1-10	\$107.62	\$108.29
Currently on file forward Trend - Medical 9.9% Annual	1.048	1.048
Currently on file forward Trend - Pharmacy 9.9% Annual	1.048	1.048
Based Rate Adjustment Med and Pharmacy	1.040	1.040
Projected Medical Base Rate-1-1-2011	\$412.58	\$421.03
Projected Pharmacy Base Rate-1-1-2011	\$117.34	\$118.06

*Rate are adjusted based on the new Retention Schedule

UnitedHealthCare of New England and United HealthCare Insurance Company
Rhode Island SMALL BUSINESS MANUAL RATE CALCULATION METHODOLOGY

Step 1. Market Rate (i.e. Start Rate or Base Rate)

Start base rate based on the product for Medical and Rx from Exhibit 1

Step 2. Trended Market Rate

Depending on the effective date of the group, take the product of the market rate from the Step 1 and multiply by the trend factor from Exhibit 1

Step 3. Health Coverage Plan Rate

Depending on the medical and pharmacy plans, choose the appropriate medical and pharmacy plan factors from Exhibits 2 and 3
Take the product of the trended medical market rate from step 2 and medical plan factor.
Take the product of the trended pharmacy market rate from step 2 and pharmacy plan factor.
The Health coverage Plan Rate is the sum of these two products.
Please note, for H.S.A plans, plan factors only apply to medical market rate.

Step 4. Age Adjustment

Depending on the case characteristics of the group, choose the appropriate age factors from Exhibit 4
Age/Sex=Sum of the age sex factors of all the members divided by the number of the members
note-exception are children in excess of 3 per family

Medicare Eligible Customers for which Medicare is Prime

1. In the case when employee is Medicare eligible for which Medicare is primary, but spouse and children are not, the spouse and children would be included into the age/sex calculation with the rest of the active population and age/sex factor for Medicare Prime employee would be calculated separately for medical portion of the rate.
 2. In the case when spouse is Medicare eligible for which Medicare is primary, but employee and children are not, the employee and children would be included into the age/sex calculation with the rest of the active population and age/sex factor for Medicare Prime spouse would be calculated separately for medical portion of the rate.
 3. In the case when child(ren) are Medicare eligible for which Medicare is primary, but employee and spouse are not, the employee and spouse would be included into the age/sex calculation with the rest of the active population and age/sex factor for Medicare Prime child(ren) would be calculated separately for medical portion of the rate.
 4. Average age/sex factor would be calculated for the whole group for the pharmacy portion of the rate.
- Dual/Multi Option Customers**
Combined Census are used for the average age/sex calculation for the dual/multi option customers.

Step 5. Test for compliance with the Mandated 4:1 Rate Band

United stays in compliance with the Rhode Island 4:1 rate band by subjecting each group to the following restriction on the rates:

	Minimum	Maximum
Illustrative base Premium	\$100	\$100
Composite A/S component	0.64	2.15
	\$64.0	\$215.0
Test (Maximum/Minimum)		3.36

These restrictions ensure that the pmprn premium for any group on a like benefit plan with the same effective date in never more than 4 times greater than any other group with those benefits and effective dates.

UnitedHealthCare of New England and United HealthCare Insurance Company
Rhode Island SMALL BUSINESS MANUAL RATE CALCULATION METHODOLOGY

Minimum age sex factor does not fall below 0.64 and maximum age sex factor does not exceed 2.15.

United does not use area, industry or duration in determining the premium level for small groups in Rhode Island.

Step 6. Calculate Family Composition Rates

Conversion factor converts Member basis rates to employee basis rates and creates the single employee rate.
Rate Ratios are used to calculate the employee plus spouse rate, the employee plus child rate, and family rate.

Member basis rate = Health coverage Plan Rate (from Step 3) * Age Factor (from Step 4)

Please note. *Age Factor is always tested for compliance first (Step 5)*

Conversion factor = Product of Subscribers * RR's/by the total # of members

The following Rate Ratios are used:

	Rate Ratio
EE	1
ES	2.15
EC	2.05
F	2.75

Single Rate = Member Basis Rate * Conversion Factor
Rate for other Tiers = Single Rate * Rate Ratio

Step 7. Group Premium Rate

Group Premium Rate = Sum of the Rates for each tier multiplied by the corresponding number of subscribers in each tier

UnitedHealthcare of New England and United HealthCare Insurance Company
Rhode Island Small Business Rating Manual

Numerical Rating Example for a Typical Group

Group Information

New Group Effective 1/1/2011

Medical Plan 3RA

Pharmacy Plan 2V (\$10/\$35/\$60, 2.5x MOD)

Assume age factors do not change

CONFIDENTIAL						
Age Band	Male Emp	Female Emp	Male Sp	Female Sp	Child	
< 25	0.328	0.752	0.328	0.752	0.524	
25-29	0.409	0.983	0.409	0.983	0.524	
30-34	0.521	1.143	0.521	1.143	0.524	
35-39	0.668	1.139	0.668	1.139	0.524	
40-44	0.828	1.170	0.828	1.170	0.524	
45-49	1.059	1.378	1.059	1.378	0.524	
50-54	1.452	1.665	1.452	1.665	0.524	
55-59	1.890	1.966	1.890	1.966	0.524	
60-64	2.559	2.335	2.559	2.335	0.524	
65+ Group Plan Primary	3.437	2.799	3.437	2.799	0.524	
65+ Medicare Primary	1.252	1.252	1.252	1.252	0.524	

Minimum Age Factor (for rule) 0.640
Maximum Age Factor (for rule) 2.150

Age Band	Male Emp	Female Emp	Male Sp	Female Sp	Child
< 25	1			1	
25-29					
30-34					
35-39	1	1			2
40-44		1			2
45-49		1	1		1
50-54					
55-59		1			
60-64					
65+ Group Plan Primary					
65+ Medicare Primary					

Age Sex factor = 0.8901

UnitedHealthcare of New England and United HealthCare Insurance Company Rhode Island Small Business Rating Manual

Numerical Rating Example for a Typical Group

Group Information

New Group Effective 1/1/2011

Medical Plan 3RA

Pharmacy Plan 2V (\$10/\$35/\$60, 2.5x MOD)

January 1, 2011

Step 1. Market Rate

1.1 Medical Market Rate \$412.58
1.2 Pharmacy Market Rate \$118.06

Step 2. Trended Market Rate

2.1 Medical Trend 1.00
2.2 Pharmacy Trend 1.00

2.3 Trended Medical Rate \$412.58 --> $2.3 = 1.1 * 2.1$
2.4 Trended Rx Rate \$118.06 --> $2.4 = 1.2 * 2.2$

Step 3. Plan Factors and Health Coverage Plan Rate

3.1 Medical Plan Factor 0.9487
3.2 Pharmacy Plan Factor 0.5280

3.3 Medical Rate \$391.42 --> $3.3 = 2.1 * 3.1$
3.4 Pharmacy Rate \$62.34 --> $3.4 = 2.2 * 3.2$

Step 4. Mandates and Health Coverage Plan Rate

4.1 Riders/Mandates 1.000
4.2 Medical Rate \$391.42 --> $4.2 = 3.3 * 4.1$
4.3 Health Coverage Plan Rate \$453.75 --> $4.3 = 4.2 + 3.4$

Step 5. Age Sex Adjustment - Group Average

Age Sex Factor 0.890

Step 6. Test for compliance with the Mandated 4:1 Rate Band

To ensure a 4 to 1 ratio of the two above average age sex factor, if the factor is less than 0.64, it is adjusted to a 0.64. If the factor is greater than 2.15 it is adjusted to 2.15. Otherwise it is left untouched. Note $2.15/0.64 = 3.36$

0.890 Between 0.64 and 2.15

UnitedHealthcare of New England and United HealthCare Insurance Company
Rhode Island Small Business Rating Manual

Numerical Rating Example for a Typical Group

Group Information

New Group Effective 1/1/2011

Medical Plan 3RA

Pharmacy Plan 2V (\$10/\$35/\$60, 2.5x MOD)

Step 7. Calculate Family Composition Rates

Member basis rate = Health coverage Plan Rate (from Step 4) * Age Factor (from Step 6)

Member basis rate = \$453.75 * 0.890 =

\$403.91

	Subs	Members	Rate Ratio	Subs*RR's
EE	2	2	1	2
ES	1	2	2.15	2.15
EC	1	3	2.05	2.05
F	2	7	2.75	5.5
	6	14	7.95	11.7

Conversion factor = Product of Subs/RR's by the total # of members = 14/11.7 =

1.197

Single Rate = Member basis rate (PMPM) * Conversion factor =

\$403.91 * 1.197 =

Employee/Spouse = Single Rate * 2.15 =
 Employee/Children = Single Rate * 2.05 =
 Family = Single Rate * 2.75 =

\$483.31
\$1,039.11
\$990.78
\$1,329.09

Step 9. Group Premium

Rates	Subs	Total Premium
EE \$483.31	2	\$966.61
ES \$1,039.11	1	\$1,039.11
EC \$990.78	1	\$990.78
F \$1,329.09	2	\$2,658.19
	6	\$5,654.69

UnitedHealthcare of New England and United HealthCare Insurance Company
Rhode Island Small Business Rating Manual

Exhibit 1 - Market Rate & Trend Factors

Market Rate

START RATES - January 1, 2011			
Medical Product	Medical		Rx Start
	Start Rate		Rate
	PMPM		PMPM
POS		\$421.03	\$118.06
EPO		\$421.03	\$118.06
HMO		\$412.58	\$117.34
HMP		\$412.58	\$118.06

Trending Factors

EFFECTIVE DATE ADJUSTMENTS (TREND)						HealthPact Trend			
Effective Date	EPO/POS		HMP Chc+		HMPChc+	HMO Chc		HMO Chc	
	Med	Rx	Med	Rx		Med	Rx	Med	Rx
Jan-11	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Feb-11	1.009	1.008	1.009	1.008	1.008	1.005	1.005	1.005	1.005
Mar-11	1.019	1.017	1.019	1.017	1.017	1.011	1.011	1.011	1.011
Apr-11	1.028	1.025	1.028	1.025	1.025	1.016	1.016	1.016	1.016
May-11	1.038	1.034	1.038	1.034	1.034	1.021	1.021	1.021	1.021
Jun-11	1.048	1.042	1.048	1.042	1.042	1.027	1.027	1.027	1.027
Jul-11	1.057	1.051	1.057	1.051	1.051	1.032	1.032	1.032	1.032
Aug-11	1.067	1.060	1.067	1.060	1.060	1.037	1.037	1.037	1.037
Sep-11	1.077	1.069	1.077	1.069	1.069	1.043	1.043	1.043	1.043
Oct-11	1.087	1.078	1.087	1.078	1.078	1.048	1.048	1.048	1.048
Nov-11	1.097	1.087	1.097	1.087	1.087	1.054	1.054	1.054	1.054
Dec-11	1.108	1.096	1.108	1.096	1.096	1.059	1.059	1.059	1.059
Annualized Trend Rate	11.8%	10.5%	11.8%	10.5%		6.5%	6.5%		

**UnitedHealthcare of New England and United HealthCare Insurance Company
Rhode Island Small Business Rating Manual**

Exhibit 2 - Medical Plan Factors

POS Choice +	Available NB	Medical Relativity	2007 COC-POS Choice +		Available for NB	Medical Relativity
ANA	N	0.7499	TAS	HSA plan	Y	0.7969
ANB	N	0.6932	TAT	HSA plan	Y	0.6822
ANC	N	0.6485	TAU	HSA plan	Y	0.6101
AND	N	0.5815	1AY	HSA plan	Y	0.8067
EAA	N	0.7168	2AP	HSA plan	Y	0.5028
EAB	N	0.6660	2RA	HSA plan	Y	0.4908
EAC	N	0.6084	UTG	HSA plan	Y	0.7520
EAD	N	0.7297	1AV	HSA plan	Y	0.6568
EAE	N	0.6256	7AA	Lean plan	Y	0.6569
HDB	N	0.8989	7AB	Lean plan	Y	0.6169
HDC	N	0.7293	7AC	Lean plan	Y	0.5823
HDD	N	0.7486	7AD	Lean plan	Y	0.5645
HDE	N	0.6067	7AE	Lean plan	Y	0.6824
HDF	N	0.6641	7AF	Lean plan	Y	0.6416
HDG	N	0.5450	7AG	Lean plan	Y	0.6100
HDH	N	0.5355	7AP	Lean plan	Y	0.5662
HDI	N	0.6090	7AQ	Lean plan	Y	0.5450
HDI	N	0.5138	7AR	Lean plan	Y	0.4898
HDK	N	0.5030	7AK	Consumer Plan	Y	0.6909
HDL	N	0.5206	7AL	Consumer Plan	Y	0.6282
HDM	N	0.5086	7AM	Consumer Plan	Y	0.5819
HDN	N	0.8218	7AV	Consumer Plan	Y	0.5455
HDO	N	0.6632	7AW	Consumer Plan	Y	0.5188
HDP	N	0.8631	7AX	Consumer Plan	Y	0.4413
HDO	N	0.6997	1RN	Consumer Plan	Y	0.6343
HYA	N	0.7081	1RO	Consumer Plan	Y	0.5226
HYB	N	0.5794	1RA	Consumer Plan	Y	0.6696
HYC	N	0.5574	1RB	Consumer Plan	Y	0.5875
JFA	N	0.7499	7VA	Value Plan	Y	0.5332
JFB	N	0.6932	7VB	Value Plan	Y	0.5725
JFC	N	0.6485	7VC	Value Plan	Y	0.5311
JFD	N	0.5815	7VD	Value Plan	Y	0.5155
JFE	N	0.8732	7VE	Value Plan	Y	0.5078
JFF	N	0.8177	7VF	Value Plan	Y	0.4851
LIA	N	0.6500	7VG	Value Plan	Y	0.4378
LIB	N	0.5950	7VH	Value Plan	Y	0.3963
LIC	N	0.5731	1RC	Value Plan	Y	0.9487
LID	N	0.5426	1RD	Value Plan	Y	0.8643
LIE	N	0.5206	1RE	Value Plan	Y	0.9260
LIF	N	0.6903	1RF	Value Plan	Y	0.9099
LIG	N	0.6678	1RG	Value Plan	Y	0.7635
LJH	N	0.6291	1RH	Value Plan	Y	0.7072
LJI	N	0.6203	1RI	Value Plan	Y	0.6388
LJJ	N	0.7014	1RJ	Value Plan	Y	0.7375
LJK	N	0.7428	1RK	Value Plan	Y	0.6498
LIL	N	0.5957	1RL	Value Plan	Y	0.8088
RTA	N	0.9055	1RM	Value Plan	Y	0.7523
RTB	N	0.7631	1RP	Value Plan	Y	0.7277
RTC	N	0.6815				

	POS Choice +	Available NB	Medical Relativity	2007 COC-POS Choice +	Available for NB	Medical Relativity
USA	N	0.8108		G8F Edge 2.0	Y	0.6234
USB	N	0.7803		G9G Edge 2.0	Y	0.5989
USC	N	0.7678		G8H Edge 2.0	Y	0.5401
USD	N	0.7370		G8I Edge 2.0	Y	0.5891
USE	N	0.7063				
USF	N	0.6802		1RT HRA	Y	0.7276
USG	N	0.5815		1RV HRA	Y	0.6110
USH	N	0.6492		1RU HRA	Y	0.6597
USI	N	0.5540		1RW HRA	Y	0.5435
USJ	N	0.6313		1RR HRA	Y	0.7596
USK	N	0.5426		1RS HRA	Y	0.6693
USL	N	0.6221				
USM	N	0.5219		T9H 50-50 Plan	Y	0.6217
USN	N	0.6064		2RG	Y	0.8648
USO	N	0.5131		2RF	Y	0.9178
USP	N	0.5991				
USQ	N	0.4849				
USR	N	0.5853		EPO - Insurance CHOICE		
USS	N	0.4877				
UST	N	0.5672		2HW EASE-EPO	Y	0.76967
UST	N	0.4716				
USU	N	0.5559				
USV	N	0.4125				
USW	N	0.4125				
USX	N	0.5183				
USY	N	0.4001				
USZ	N	0.5111				
WHA	N	0.9574				
WHB	N	0.8732				
WHC	N	0.9340				
WHD	N	0.9173				
WHF	N	0.7771				
WHG	N	0.7230				
WHH	N	0.6534				
WHI	N	0.7483				
WHJ	N	0.6622				
WHK	N	0.8177				
WHX	N	0.7587				
HMO - CHOICE				2007 COC - HMO - CHOICE		
38A Standard	N	0.9141		38Y Wellness	N	0.7041
38B Basic	N	0.7730		38Z Basic	Y	0.7041
38C Economy	N	0.6292		38X WellnessNew	Y	0.7041
HMP - CHOICE PLUS				2007 - HMP - CHOICE PLUS		
R1A	N	0.9574		3RA	Y	0.9487
R1B	N	0.8732		3RB	Y	0.9001
R1C	N	0.9340		3RC	Y	0.8643
R1D	N	0.9173		3RD	Y	0.9260
R1E	N	0.7216		3RE	Y	0.9099
R1F	N	0.7771		3RF	Y	0.7635
R1G	N	0.7230		3RG	Y	0.7072
R1H	N	0.6534		3RH	Y	0.6388
R1I	N	0.7483		3RI	Y	0.7375
R1J	N	0.6622		3RJ	Y	0.6498
R1K	N	0.8177		3RK	Y	0.8098
R1X	N	0.7587		3RL	Y	0.7523

Exhibit 3 - Rx Plan Factors

Rhode Island Small Business Rating Manual

Rx Plan Relativity Factors		Medical Product		Available for New Business?	Medical Plans		Factor
Rx Plan	Description						
2001 COC							
23	\$5/\$10/\$25, 2x MOD			N			0.9385
81	\$10/\$15/\$30, 2x MOD			N			0.8001
90	10/20/30 2x MOD			N			0.7442
96	No Rx			N			0.0000
B2	\$15/\$25/\$50, 2x MOD			N			0.6111
G4	\$100 Ded, \$10/\$30/\$50, 2.5x MOD			N			0.4905
H9	\$10/\$30/\$50, 2.5x MOD	All other POS (HSA)		N	HD-B-Q, HY-A-C, RT-A-C 7A-S-U, 1AY, 2AP, 2RA, UTG, 1AV		0.5975 0.0000 0.0140
K4	\$10/25/40, 2.5x MOD			N			0.6634
K7	\$7/25/40, 2.5x MOD			N			0.6936
S8	\$250 Ded, \$10/\$30/\$50, 2.5x MOD			N			0.3950
ZV	\$10/\$35/\$60, 2.5x MOD	All other POS (HSA)		N	7A-S-U, 1AY, 2AP, 2RA, UTG, 1AV		0.5280 0.0000
2007 COC effective 10/1/2007							
BK	\$15/\$30/\$60, 2.5x MOD			Y			0.5440
BL	\$10/\$20/\$20 or 30%/30%/30% Max=\$150, 2.5x MOD Max=\$300			Y			0.6371
BM	\$10/\$20/\$40 or 30%/30%/30% Max=\$150, 2.5x MOD Max=\$375			Y			0.5972
BY	\$10/\$25/\$40 2.5x MOD			Y			0.6111
4F	\$10/30/50/100, 2.5x for MOD			Y			0.5894
5S	\$100 Ded, \$10/30/50/100, 2.5x for MOD			Y			0.4821
5T	\$250 Ded, \$10/30/50/100, 2.5x for MOD			Y			0.3828
0H	\$10/30/70, 2.5x for MOD			Y			0.4501
AQ	\$100 Ded, \$10/30/70, 2.5x for MOD			Y			0.3579
AR	\$250 Ded, \$10/30/70, 2.5x for MOD			Y			0.4302
6M	\$100 Ded, \$10/35/60, 2.5x for MOD			Y			0.3416
6N	\$250 Ded, \$10/35/60, 2.5x for MOD			Y			0.5692
Y6	\$10/30/60, 2.5x for MOD			Y			0.4661
Y7	\$100 Ded, \$10/30/60, 2.5x for MOD			Y			0.3700
AS	\$250 Ded, \$10/30/60, 2.5x for MOD			Y			0.5232
5U	\$10/35/60/100, 2.5x for MOD			Y			0.4292
5V	\$100 Ded, \$10/35/60/100, 2.5x for MOD			Y			0.3408
5W	\$250 Ded, \$10/35/60/100, 2.5x for MOD			Y			0.5072
0I	\$10/35/70, 2.5x for MOD			Y			0.4161
AT	\$100 Ded, \$10/35/70, 2.5x for MOD			Y			0.3303
AU	\$250 Ded, \$10/35/70, 2.5x for MOD			Y			0.3089
CO	\$10/40/75, 2.0x for MOD			Y			38Y
CP	\$250 Ded, \$10/40/75, 2.0x for MOD			Y			38Z
New 2007 COC Plans Effective 10/1/2008							
CC	\$10/30/50/0 w/ \$60/40/30 defined contrib, 3.0x for MOD, \$5000 OOPM			Y	7A-A-G, K-M, P-R, V-X, 1R-A-P, 7A-S-U, 1AY, 2AP, 2RA, UTG, 1AV, G8-F-L, 3R, AL		0.242
CD	\$10/30/60/0 w/ \$60/40/30 defined contrib, 3.0x for MOD, \$2500 OOPM			Y	7A-A-G, K-M, P-R, V-X, 1R-A-P, 7A-S-U, 1AY, 2AP, 2RA, UTG, 1AV, G8-F-L, 3R, AL		0.313
CE	\$10/30/60/0 w/ \$60/40/30 defined contrib, 3.0x for MOD, \$5000 OOPM			Y	7A-A-G, K-M, P-R, V-X, 1R-A-P, 7A-S-U, 1AY, 2AP, 2RA, UTG, 1AV, G8-F-L, 3R, AL		0.237
CF	\$0/0/0/0 w/ \$45/30/15 defined contrib, 3.0x for MOD, \$2500 OOPM			Y	7A-A-G, K-M, P-R, V-X, 1R-A-P, 7A-S-U, 1AY, 2AP, 2RA, UTG, 1AV, G8-F-L, 3R, AL		0.347
CG	\$250 Ded, \$15/45/80/160, 3.0x for MOD			Y	7A-A-G, K-M, P-R, V-X, 1R-A-P, 7A-S-U, 1AY, 2AP, 2RA, UTG, 1AV, G8-F-L, 3R, AL		0.364
DS	\$15/45/85/200, 3.0x for MOD			Y	7A-A-G, K-M, P-R, V-X, 1R-A-P, 7A-S-U, 1AY, 2AP, 2RA, UTG, 1AV, G8-F-L, 3R, AL		0.393
FE	\$15/35/70, 2.5x for MOD			Y	7A-A-G, K-M, P-R, V-X, 1R-A-P, 7A-S-U, 1AY, 2AP, 2RA, UTG, 1AV, G8-F-L, 3R, AL		0.4863
FJ	\$50 Ded, \$15/35/70, 2.5x for MOD			Y	7A-A-G, K-M, P-R, V-X, 1R-A-P, 7A-S-U, 1AY, 2AP, 2RA, UTG, 1AV, G8-F-L, 3R, AL		0.4407

*UnitedHealthcare of New England and United HealthCare Insurance Company
Rhode Island Small Business Rating Manual*

Exhibit 4 - Age Adjustment Factors

Age Brackets

Age Band	Male Emp	Female Emp	Male Sp	Female Sp	Child
< 25	0.328	0.752	0.328	0.752	0.524
25-29	0.409	0.983	0.409	0.983	0.524
30-34	0.521	1.143	0.521	1.143	0.524
35-39	0.668	1.139	0.668	1.139	0.524
40-44	0.828	1.170	0.828	1.170	0.524
45-49	1.059	1.378	1.059	1.378	0.524
50-54	1.452	1.665	1.452	1.665	0.524
55-59	1.890	1.966	1.890	1.966	0.524
60-64	2.559	2.335	2.559	2.335	0.524
65+ Group Plan Primary	3.437	2.799	3.437	2.799	0.524
65+ Medicare Primary	1.252	1.252	1.252	1.252	0.524

Notes/Exceptions:

Family or Employee/Child(ren) Contracts with more than 3 children

United does not bill for "excess children" over 3 per subscriber.

Age/Sex band limits

In order to stay within the overall 4:1 rate band United restricts the age/sex factors to an overall 0.64 to 2.15 band

The combined adjustment factor for age and gender will not exceed 120% of the combined adjustment factor for age and gender for the prior rate year

UnitedHealthcare of New England and United HealthCare Insurance Company Rhode Island Small Business Rating Manual

Exhibit 5 - HEALTHPact Plan

PLAN	PCP	SPEC	ER	DED	COINS	OOP	DED	COINS	OOP	RX	Jan 1, 2011 Single Rate	AgeSex	Conversio n	PMPM Rate	Medical Base	Medical Rel	Jan 1, 2011 Med Trend	RX Base	Rx Rel	Jan 1, 2011 Rx Trend
Advantage	\$10	\$50	\$200	\$750	100%	\$2,750	NA	NA	NA	10/40/75	\$404.97	1.048	1.183	\$326.74	\$412.58	0.7041	1.000	\$117.34	0.3089	1.000
Basic	\$30	\$60	\$200	\$5,000	80%	\$10,000	NA	NA	NA	10/40/75/D\$250	\$404.97	1.048	1.183	\$326.74	\$412.58	0.7041	1.000	\$117.34	0.3089	1.000

Assumes 90% Advantage/10% Basic participation

- Average AgeSex Factor is based on the Assumed future Subscriber % distribution provided by RI DOI and United AgeSex Factors
- Conversion Factor converts PMPM rate to the Single rate

Eff Date	Healthpact Single Rate
1/1/2010	380.26
2/1/2010	382.26
3/1/2010	384.27
4/1/2010	386.29
5/1/2010	388.32
6/1/2010	390.36
7/1/2010	392.41
8/1/2010	394.47
9/1/2010	396.55
10/1/2010	398.64
11/1/2010	400.74
12/1/2010	402.85
1/1/2011	404.97

The rates incorporate an assumption that they will increase for successive renewal months on a 6.5% annualized trend basis
Assumed future Subscriber % distribution provided by RI DOI

	Male	Female	EE / SP	CHILD/RE	Family
< 25					
25 - 29	8.7%	6.1%	0.6%	0.7%	0.9%
30 - 34	3.7%	2.4%	0.6%	0.8%	2.5%
35 - 39	3.5%	2.2%	0.6%	1.0%	4.7%
40 - 44	3.5%	2.6%	0.8%	1.0%	5.8%
45 - 49	3.3%	3.0%	1.3%	0.9%	5.6%
50 - 54	3.1%	3.3%	2.1%	0.5%	3.3%
55 - 59	2.6%	3.5%	0.2%	1.3%	1.3%
60 - 64	2.0%	2.7%	2.0%	0.1%	0.3%
65+MP	0.9%	1.0%	0.8%	0.0%	0.1%
65+MS	0.2%	0.2%	0.3%	0.0%	0.0%

UnitedHealthcare of New England, Inc. and United HealthCare Insurance Company
Small Group Rate Filing – January 1, 2011

Small Group Rate Filing Template

Historical Information

Experience Period for Developing Rates

From	To
1/1/2007	12/31/2009

Utilization/Experience Data by Quarter (Last 12 available quarters)

Quarter	End Date	IP Days*	Member Months	Earned Premium**	Incurred Claims Total***	Incurred Claims IP	Incurred Claims OP	Incurred Claims Primary Care	Incurred Claims M/S	Incurred Claims Rx	Loss Ratio	Cost Containment Expense*	Other Claim Adjustment Expense*	General Administrative Expense*	Investment Income Credit	Commissions	Contribution to Reserves	Taxes
1 (oldest)	3/31/2007	239	63,612	\$19,407,931	\$15,928,460	\$3,889,110	\$4,695,445	\$813,042	\$3,814,033	\$2,437,720	82%	\$59,042.87	\$393,684.87	\$1,876,223.99	-\$329,934.83	\$873,356.90	\$872,817.44	\$650,343.39
2	6/30/2007	260	62,270	\$19,564,728	\$15,815,238	\$3,579,634	\$4,807,527	\$802,598	\$3,811,038	\$2,547,926	81%	\$59,519.88	\$396,865.46	\$1,891,382.04	-\$332,600.38	\$880,412.77	\$879,868.94	\$655,597.52
3	9/30/2007	239	59,079	\$18,611,044	\$14,706,987	\$3,456,168	\$4,515,777	\$699,508	\$3,296,726	\$2,423,990	79%	\$56,618.58	\$377,520.22	\$1,799,186.47	-\$316,387.75	\$837,496.98	\$836,979.66	\$623,640.37
4	12/31/2007	238	56,030	\$17,953,037	\$14,040,438	\$3,073,427	\$4,452,522	\$691,847	\$3,143,591	\$2,408,920	78%	\$54,616.79	\$364,172.71	\$1,735,574.89	-\$305,201.62	\$807,886.64	\$807,387.62	\$601,591.10
5	3/31/2008	249	53,341	\$17,133,136	\$13,694,562	\$3,439,600	\$4,083,767	\$681,629	\$3,024,085	\$2,211,006	80%	\$21,900.55	\$349,533.78	\$1,684,542.02	-\$291,263.32	\$770,991.13	\$398,376.18	\$492,546.91
6	6/30/2008	242	53,520	\$17,156,534	\$13,930,180	\$3,517,777	\$4,069,181	\$650,024	\$3,209,602	\$2,194,375	81%	\$21,930.46	\$350,011.12	\$1,686,842.53	-\$291,661.08	\$772,044.04	\$398,920.22	\$493,219.56
7	9/30/2008	230	54,682	\$17,470,246	\$13,475,116	\$2,826,188	\$4,368,406	\$630,877	\$3,104,965	\$2,215,920	77%	\$22,331.46	\$356,411.17	\$1,717,686.89	-\$296,994.18	\$786,161.07	\$406,214.58	\$502,238.21
8	12/31/2008	168	53,538	\$17,280,886	\$13,033,787	\$2,273,632	\$4,541,057	\$655,822	\$3,006,094	\$2,273,444	75%	\$22,089.41	\$352,548.02	\$1,699,068.85	-\$293,775.06	\$777,639.85	\$401,811.62	\$496,794.44
9	3/31/2009	221	55,594	\$18,013,109	\$14,087,534	\$3,290,743	\$4,478,690	\$707,017	\$3,084,626	\$2,249,799	78%	\$95,357.15	\$366,463.94	\$1,699,752.05	-\$306,222.86	\$810,589.93	\$180,131.09	\$468,340.85
10	6/30/2009	197	57,262	\$18,550,627	\$15,103,107	\$3,498,915	\$5,027,763	\$727,558	\$3,286,861	\$2,276,379	81%	\$98,202.64	\$377,399.35	\$1,750,473.25	-\$315,360.66	\$834,778.22	\$185,506.27	\$482,316.30
11	9/30/2009	195	58,800	\$19,226,522	\$14,719,562	\$3,065,835	\$4,871,966	\$781,669	\$3,359,682	\$2,381,677	77%	\$101,780.67	\$391,149.97	\$1,814,252.05	-\$328,850.88	\$865,193.51	\$192,265.22	\$499,889.58
12	12/31/2009	237	61,560	\$20,146,036	\$16,833,485	\$4,106,259	\$5,392,668	\$899,219	\$3,697,968	\$2,547,352	84%	\$106,648.36	\$409,856.83	\$1,901,019.18	-\$342,482.62	\$906,571.64	\$201,460.36	\$523,796.95

*Days per 1000 members.

**The premium is based on the final renewal premium summed for each group for the period being reported

***Claims include – paid claims for policies issued in RI for the incurred period with claim reserves (IBNR), capitation payments for capitated arrangements, and other costs associated with affiliated agreements i.e. OPTUM SERVICES

Prospective Information

Trend Factors for Projection Purposes (Annualized)

CY 2011 PRICING TREND BY COMPONENT:

Notes:	Inpatient	Outpatient	Primary Care	Other M/S	Actual Total Medical	Actual Retail Pharmacy	Weighted Aggregate
Total Pricing Trend	[7] 10.9%	13.5%	10.8%	10.8%	11.8%	10.5%	11.6%
Price Only	[1] 8.4%	6.8%	4.7%	4.7%	6.5%	5.4%	6.4%
Utilization	[2] -1.2%	3.3%	1.6%	1.6%	1.5%	1.4%	1.5%
Mix of Services	[3], [6] 2.2%	0.9%	2.4%	2.4%	1.7%	1.2%	1.6%
Demographic Change	[4] 0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Benefit Leveraging	[5] 1.3%	1.9%	1.7%	1.7%	1.7%	2.2%	1.7%
Sub-Total Claims Trend	10.9%	13.5%	10.8%	10.8%	11.8%	10.5%	11.6%

Proposed pricing trends are intended to be effective January 2011.

Notes:

- [1] Represents core unit pricing increases, exclusive of service mix / intensity of services impact; Includes impact expected due to Patient Protection and Affordable Care Act pharmaceutical industry assessment.
- [2] Represents core utilization only, exclusive of demographic change impacts; includes expected impact of changes in business day content.
- [3] Represents expected changes in intensity of services provided.
- [4] Represents trend impact of age and gender changes; No provision included for Small Group business (age/gender community rating variable).
- [5] Impact of member cost-share leveraging on net claims cost trend.
- [6] Small Group trend includes expected impact of Federal Mental Health Parity and expected impact of Patient Protection and Affordable Care Act.
- [7] Pricing models do not distinguish between Primary and Specialty medical care; same trends shown for both.

The following items for the period to which the rate filing applies, by quarter:

United HealthCare of New England

Quarter	Beginning Date	Average % Rate Increase	Expected Medical Loss Ratio++	Expected Contribution to Reserves	Cost Containment Expense %*	Other Claim Adjustment Expense%*	General Administrative Expense%*	Average Commissions %*	Investment Income Credit %	Taxes
1	1/1/2011	13.9%	85.4%	-1.3%	0.7%	2.0%	9.3%	3.5%	-1.6%	2.0%
2	4/1/2011	17.1%	85.4%	-1.3%	0.7%	2.0%	9.3%	3.5%	-1.6%	2.0%
3	7/1/2011	15.3%	85.4%	-1.3%	0.7%	2.0%	9.3%	3.5%	-1.6%	2.0%
4	10/1/2011	15.8%	85.4%	-1.3%	0.7%	2.0%	9.3%	3.5%	-1.6%	2.0%

United HealthCare Insurance Company

Quarter	Beginning Date	Average % Rate Increase	Expected Medical Loss Ratio++	Expected Contribution to Reserves	Cost Containment Expense %*	Other Claim Adjustment Expense%*	General Administrative Expense%*	Average Commissions %*	Investment Income Credit %	Taxes
1	1/1/2011	13.9%	85.4%	3.1%	0.3%	0.9%	4.5%	3.5%	-1.2%	3.5%
2	4/1/2011	17.1%	85.4%	3.1%	0.3%	0.9%	4.5%	3.5%	-1.2%	3.5%
3	7/1/2011	15.3%	85.4%	3.1%	0.3%	0.9%	4.5%	3.5%	-1.2%	3.5%
4	10/1/2011	15.8%	85.4%	3.1%	0.3%	0.9%	4.5%	3.5%	-1.2%	3.5%

++ Please note target loss ratio is 82.7%, expected medical loss ratio above reflects lower than needed base rate increase on 1/1/2011.

UnitedHealthcare of New England, Inc. and United HealthCare Insurance Company
Large Group Rate Filing – January 1, 2011

Large Group Rate Filing Template

Historical Information

Experience Period for Developing Rates

From	To
1/1/2007	12/31/2009

Utilization/Experience Data by Quarter (Last 12 available quarters)

Quarter	End Date	IP Days*	Member Months	Earned Premium**	Incurred Claims Total**	Incurred Claims IP	Incurred Claims OP	Incurred Claims Primary Care	Incurred Claims Other M/S	Incurred Claims Rx	Loss Ratio	Cost Containment Expense*	Other Claim Adjustment Expense*	General Administrative Expense*	Investment Income Credit	Commissions	Contribution to Reserves	Taxes
1 (oldest)	3/31/2007	266	133,558	\$34,180,795	\$34,421,615	\$8,170,480	\$10,150,490	\$1,936,616	\$8,209,220	\$5,598,373	101%	\$103,984.93	\$693,348.60	\$3,304,361.89	-\$581,073.52	\$1,025,423.85	\$913,956.91	\$818,989.57
2	6/30/2007	274	131,584	\$40,733,599	\$34,706,587	\$7,735,355	\$10,819,824	\$1,889,596	\$8,409,668	\$5,462,578	85%	\$123,919.89	\$826,270.54	\$3,937,841.48	-\$692,471.19	\$1,222,007.98	\$1,089,171.69	\$975,998.15
3	9/30/2007	269	121,199	\$38,476,679	\$33,229,195	\$8,292,578	\$10,474,396	\$1,649,618	\$7,359,714	\$5,021,645	86%	\$117,053.88	\$780,489.49	\$3,719,658.08	-\$654,103.54	\$1,154,300.36	\$1,028,824.12	\$921,921.17
4	12/31/2007	306	117,992	\$37,404,031	\$33,530,913	\$8,169,573	\$10,913,790	\$1,669,253	\$7,346,559	\$5,075,189	90%	\$113,790.67	\$758,731.12	\$3,615,961.98	-\$635,868.53	\$1,122,120.94	\$1,000,142.71	\$896,219.98
5	3/31/2008	281	133,169	\$44,317,234	\$38,180,497	\$9,276,637	\$12,388,801	\$2,006,615	\$8,588,308	\$5,589,713	86%	\$56,648.81	\$904,117.61	\$4,357,301.62	-\$753,392.97	\$1,329,517.01	\$1,184,994.14	\$1,061,863.89
6	6/30/2008	269	147,830	\$49,123,588	\$43,322,004	\$10,491,148	\$14,023,750	\$2,099,009	\$9,771,921	\$6,440,856	88%	\$62,792.56	\$1,002,172.23	\$4,829,865.75	-\$835,100.99	\$1,473,707.64	\$1,313,510.77	\$1,177,026.63
7	9/30/2008	261	142,886	\$47,762,928	\$40,582,310	\$9,033,637	\$13,428,741	\$1,997,779	\$9,283,642	\$6,328,724	85%	\$61,053.29	\$974,413.36	\$4,696,084.74	-\$811,969.78	\$1,432,887.85	\$1,277,128.23	\$1,144,424.52
8	12/31/2008	245	138,826	\$46,794,997	\$40,614,826	\$8,860,309	\$13,897,808	\$2,095,871	\$9,052,628	\$6,367,765	87%	\$59,816.02	\$954,666.56	\$4,600,917.06	-\$795,514.95	\$1,403,849.91	\$467,949.97	\$1,044,803.45
9	3/31/2009	284	126,428	\$42,657,302	\$34,268,947	\$8,205,619	\$10,987,949	\$1,877,017	\$7,509,277	\$5,329,092	80%	\$225,817.69	\$867,832.56	\$4,025,225.98	-\$725,174.13	\$1,279,719.06	\$426,573.02	\$1,109,089.85
10	6/30/2009	255	115,349	\$39,215,972	\$32,652,346	\$7,257,346	\$11,058,096	\$1,700,574	\$7,288,303	\$5,007,623	83%	\$207,600.10	\$797,821.14	\$3,700,495.38	-\$666,671.52	\$1,176,479.16	\$392,159.72	\$1,019,615.27
11	9/30/2009	265	114,718	\$39,122,403	\$33,176,926	\$8,171,039	\$10,588,895	\$1,738,929	\$7,377,369	\$5,009,809	85%	\$207,104.76	\$795,917.54	\$3,691,666.01	-\$665,080.84	\$1,173,672.08	\$391,224.03	\$1,017,182.47
12	12/31/2009	254	114,306	\$39,152,469	\$33,313,077	\$7,795,126	\$10,668,369	\$1,820,898	\$7,478,973	\$5,348,086	85%	\$207,263.93	\$796,529.22	\$3,694,503.13	-\$665,591.97	\$1,174,574.07	\$391,524.69	\$1,017,964.19

*Days per 1000 members.

**The premium is based on the final renewal premium summed for each group for the period being reported

***Claims include – paid claims for policies issued in RI for the incurred period with claim reserves (IBNR), capitation payments for capitated arrangements, and other costs associated with affiliated agreements i.e. OPTUM SERVICES

Prospective Information

Trend Factors for Projection Purposes (Annualized)

CY 2011 PRICING TREND BY COMPONENT:

Notes:	Inpatient	Outpatient	Primary Care	Other M/S	Actual Total Medical	Actual Retail Pharmacy	Weighted Aggregate
Total Pricing Trend	[7] 12.2%	14.8%	12.1%	12.1%	13.1%	11.4%	12.9%
Price Only	[1] 8.4%	6.8%	4.7%	4.7%	6.5%	5.4%	6.4%
Utilization	[2] -1.2%	3.3%	1.6%	1.6%	1.5%	1.4%	1.5%
Mix of Services	[3], [6] 2.7%	1.4%	2.9%	2.9%	2.2%	1.2%	2.1%
Demographic Change	[4] 1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Benefit Leveraging	[5] 1.0%	1.6%	1.4%	1.4%	1.4%	2.0%	1.4%
Sub-Total Claims Trend	12.2%	14.8%	12.1%	12.1%	13.1%	11.4%	12.9%

Proposed pricing trends are intended to be effective January 2011

Notes:

- [1] Represents core unit pricing increases, exclusive of service mix / intensity of services impact; Includes impact expected due to Patient Protection and Affordable Care Act pharmaceutical industry assessment.
- [2] Represents core utilization only, exclusive of demographic change impacts; includes expected impact of changes in business day content.
- [3] Represents expected changes in intensity of services provided.
- [4] Represents trend impact of age and gender changes; No provision included for Small Group business (age/gender community rating variable).
- [5] Impact of member cost-share leveraging on net claims cost trend.
- [6] Large Group trend includes expected impact of Federal Mental Health Parity and expected impact of Patient Protection and Affordable Care Act.
- [7] Pricing models do not distinguish between Primary and Specialty medical care; same trends shown for both.

The following items for the period to which the rate filing applies, by quarter:

United HealthCare of New England

Quarter	Beginning Date	Average % Manual Rate Increase	Expected Medical Loss Ratio	Expected Contribution to Reserves	Cost Containment Expense %*	Other Claim Adjustment Expense%*	General Administrative Expense%*	Average Commissions %*	Investment Income Credit %	Taxes
1	1/1/2011	7.8%	83.0%	1.0%	0.5%	2.0%	9.5%	3.2%	-1.6%	2.4%
2	4/1/2011	11.1%	83.0%	1.0%	0.5%	2.0%	9.5%	3.2%	-1.6%	2.4%
3	7/1/2011	13.6%	83.0%	1.0%	0.5%	2.0%	9.5%	3.2%	-1.6%	2.4%
4	10/1/2011	14.4%	83.0%	1.0%	0.5%	2.0%	9.5%	3.2%	-1.6%	2.4%

United HealthCare Insurance Company

Quarter	Beginning Date	Average % Manual Rate Increase	Expected Medical Loss Ratio	Expected Contribution to Reserves	Cost Containment Expense %*	Other Claim Adjustment Expense%*	General Administrative Expense%*	Average Commissions %*	Investment Income Credit %	Taxes
1	1/1/2011	7.8%	83.0%	5.0%	0.2%	0.9%	4.6%	3.2%	-1.2%	4.3%
2	4/1/2011	11.1%	83.0%	5.0%	0.2%	0.9%	4.6%	3.2%	-1.2%	4.3%
3	7/1/2011	13.6%	83.0%	5.0%	0.2%	0.9%	4.6%	3.2%	-1.2%	4.3%
4	10/1/2011	14.4%	83.0%	5.0%	0.2%	0.9%	4.6%	3.2%	-1.2%	4.3%



May 17, 2010

Adrienne-jo F. Evans FLMI, AIE, AIRC
Health Insurance Analyst
Insurance Division
Department of Business Regulation
223 Richmond Street, Suite 223
Providence, RI 02903-4233

Re: Annual Small and Large Employer Rate Factor Filings – January 1, 2011
UnitedHealthcare of New England, Inc. and United HealthCare Insurance Company

Dear Ms. Evans,

The purpose of this letter is to provide you with the Annual Small and Large Employer Rate Factor Filings as required by the Section 12 of Regulation 11, the Small Employer Health Insurance Availability Regulation.

The following documents are included in the filing:

- Rate factor template for large group and small employer groups.
- Small group rate manual.
- Explanation of medical trend development process.
- Completed Provider Plan Contracting Survey.
- Completed Resources for Health Systems Improvement Survey.
- Completed Administrative Costs Survey.

A filing fee of \$100 will be submitted by an electronic funds transfer transaction via SERFF.

Should you have any questions or need additional information, please contact me at (203) 459-6424.

Sincerely,

Elvira Tananykin
Assistant Director of Actuarial Pricing
Northeast Region
UnitedHealthcare

UnitedHealthcare of New England, Inc. and United HealthCare Insurance Company
Small and Large Group Trend Filings – January 1, 2011

United Healthcare Medical Expense Forecasting
Process Overview & Considerations

United develops forward-looking medical expense estimates based on a number of considerations. In general, recent/emerging claims experience is reviewed at the market level for several broad medical expense categories (inpatient, professional, pharmacy, etc.), with utilization, unit cost, benefit leveraging, and business mix identified for each category. Future trends are developed based on a projection of each component.

Utilization rates by category are measured and projected net of business mix (employer mix, benefit mix, demographic mix, etc.). Forward looking utilization levels are developed based on emerging market level data, supplemented by regional and/or national level utilization data. Macro-economic data is often used to develop assumptions regarding directional changes in national health care consumption rates.

Market-level unit cost projections are developed based on evaluations of current and anticipated provider contract economics, as well as consideration to both current and expected changes in non-contracted provider cost exposure. Unit cost projections also consider the estimated cost impact of new technologies, service availability/mandates, or other factors that might influence mix of procedures.

In addition, market-level healthcare affordability activities that are expected to impact forward-looking medical costs are recognized. Depending on the nature of individual initiatives, the impact may be recognized in one or more of the component cost items discussed above. Only incremental activities are recognized for this purpose in the expected trend impact for any particular period.

Business mix changes that influence medical cost trends are also reviewed and projected, with appropriate input from sales and underwriting staff. These factors include changing mix of employer groups, mix of benefits, and demographic changes. For the purposes of developing premium pricing trend projections, the component of trend attributable to business mix is excluded.

To: John Cogan

From: Phil Anderson

Date: May 17, 2010

Re: **UHCNE Small and Large Group Rate Factor Filings: Administrative Costs**

1. Below is a spreadsheet detailing the UHCNE 2010 approved and 2011 requested small and large group administrative costs pmpm, allocated among the NAIC-approved administrative cost categories. 2010 is listed for the full year since there were no changes to administrative costs for the year.

Fully Insured Commercial Administrative Cost History						
	2010	2010	2011	2011	% Change	% Change
	SG pmpm	LG pmpm	SG pmpm	LG pmpm	SG	LG
Total Estimated MM's	61,736	165,172	61,736	165,172	-	-
Total Estimated Premium (PMPM)	358.49	359.39	\$ 394.34	\$ 395.33	\$ 35.85	\$ 35.94
Total General Admin Expense (PMPM)	54.69	52.24	\$ 58.01	\$ 58.26	\$ 3.32	\$ 6.02
Total Cost Containment (PMPM)	2.68	1.62	\$ 2.95	\$ 1.78	\$ 0.27	\$ 0.16
Total Other Claim Adjustment Expense	7.30	7.30	\$ 8.03	\$ 8.03	\$ 0.73	\$ 0.73
Breakdown of administrative costs (\$						
a. Payroll and benefits	12.15	12.14	\$ 12.87	\$ 13.36	\$ 0.72	\$ 1.22
b. Outsourced Services (EDP, claims etc.)	10.44	10.99	\$ 11.65	\$ 12.09	\$ 1.21	\$ 1.10
c. Auditing and consulting	1.99	1.99	\$ 2.11	\$ 2.19	\$ 0.12	\$ 0.20
d. Commissions	14.35	10.78	\$ 13.80	\$ 12.65	\$ (0.55)	\$ 1.87
e. Marketing and Advertising	0.99	0.99	\$ 1.05	\$ 1.09	\$ 0.06	\$ 0.10
f. Legal Expenses	0.13	0.12	\$ 0.12	\$ 0.13	\$ (0.00)	\$ 0.01
g. Taxes, Licenses and Fees	7.17	7.19	\$ 7.89	\$ 7.91	\$ 0.72	\$ 0.72
h. Reimbursements by Uninsured Plans	0.00	0.00	\$ -	\$ -	\$ -	\$ -
i. Other Admin Expenses	7.48	8.04	\$ 8.52	\$ 8.84	\$ 1.04	\$ 0.80

2. Below is a spreadsheet detailing actual calendar year 2005-2009 fully insured commercial administrative costs. This is consistent with the UHCNE annual statement filings to OHIC for administrative costs on a prequota share basis. Administrative cost components used are the categories defined by NAIC and are allocated to commercially insured business only. The information provided does not agree with the "Exhibit of Premiums, Enrollment and Utilization" and the "Analysis of Operations by Line of Business" schedules included in the Annual Statements on file with OHIC since that is on a net of quota share agreement. The information below does agree to the supplemental spreadsheet supplied to OHIC as part of the annual statutory filing of UHCNE.

Fully Insured Commercial Administrative Cost History					
	2005	2006	2007	2008	2009
Total Fully Insured Member Months	987,902	799,482	677,015	532,154	344,330
Total Premiums	286,260,853	251,326,900	218,459,198	181,049,532	120,002,265
Total General Administrative Expense	40,407,210	34,733,139	31,171,890	25,694,191	17,411,554
Total Cost Containment Expense	-	690,295	664,597	231,428	635,264
Total Other Claims Adjustment Expense	-	5,322,272	4,431,388	3,693,599	2,441,361
Total Administrative Expense	40,407,210	40,745,706	36,267,876	29,619,217	20,488,179
Total Admin Exp. Ratio	14.12%	16.21%	16.60%	16.36%	17.07%
Total Administrative Expense (\$pmpm)	40.90	50.97	53.57	55.66	59.50
Breakdown of administrative costs (\$ pmpm)					
a. Payroll and benefits	17.62	21.36	18.91	19.96	12.14
b. Outsourced Services (EDP, claims etc.)	1.21	1.47	0.15	0.02	10.99
c. Auditing and consulting	0.90	0.61	2.08	3.09	1.99
d. Commissions	8.67	8.25	8.17	8.92	8.56
e. Marketing and Advertising	2.32	1.31	3.78	1.33	0.99
f. Legal Expenses	(0.18)	0.06	0.21	0.13	0.12
g. Taxes, Licenses and Fees	2.84	3.42	5.58	5.74	7.76
h. Reimbursements by Uninsured Plans	0.00	0.00	0.00	0.00	0.00
i. Other Admin Expenses	7.53	6.97	7.18	9.10	8.04
Cost Containment Expense	0.00	0.86	0.98	0.43	1.84
Other Claims Adjustment Expense	0.00	6.66	6.55	6.94	7.09
Total Medical Self Insured Member months for all affiliated companies doing business in RI independent of license (MM's residing in the state of RI regardless of employer location)	1,006,561	1,173,628	1,136,423	1,130,328	1,045,239

*Note: Methodology changes occurred within the 2009 process after further review of payroll vs. outsourced expenses

3. Below are the responses to the questions asked by OHIC's Health Insurance Advisory Council:

- In general and net of new taxes and fees, why should the rate of increase in Health Plan administrative costs exceed the general inflation rate?

There is a 12% management fee agreement and a 2% premium tax, therefore the administrative costs will increase at the same rate as premium.

- What percentage of administrative costs does your organization consider fixed for the next five years? Provide detail by expense categories.

The membership in Rhode Island is serviced on a national platform and is a small percentage of the total national membership. Costs vary in proportion to premiums. Most of the Rhode Island expenses are considered to be variable to the Rhode Island business.

- What administrative services are used by fully insured members that are not used by self-insured clients (e.g. broker commissions) and what are the estimated total costs (\$pmpm) for those services?

Taxes, brokers and assessments are commonly only fully insured. In addition a number of services are at the discretion of the ASO customers (i.e. pharmacy, Nurseline, medical management, and Optum services). The benefit selection varies with each ASO customer and can't be quantified.

- What does your plan use as its pmpm benchmarks or price points for commercial insurance administrative costs and why?

UHCNE is under a management fee agreement and expenses are recorded based on these terms.

Please contact Phil Anderson with any questions.

Sincerely,

Phil Anderson

To: John Cogan
From: Phil Anderson
Date: May 17, 2010

Re: Resources for Health System Improvements - Survey

OHIC Regulation Two lists standards to be used by the Health Insurance Commissioner for the assessment of the conduct of Health Plans for their efforts aimed at Improving the Efficiency and Quality of Health Care Delivery and Increasing Access to Health Care Services. The standards include the following plan activities:

1. Directing resources, including financial contributions, toward system-wide improvements in the state's health care system related to quality, access and efficiency, including providing support to local collaboratives, organizations and initiatives that promote quality, access and efficiency.
2. Participating in the development and implementation of public policy issues related to health.

Below summarizes UHC's contributions of finances and other efforts in Rhode Island in calendar year 2009:

System-wide improvement activity	Brief description of activity	Value of 2009 Plan contributions
Chronic care sustainability initiative	All payer state initiative for primary docs to support advanced medical home	\$255,972, National team input, local employee participation in steering group and technical assistance
ICU Collaborative	Collaborative to improve ICU care in local hospitals	\$130,500
EMR	Bonus program paid to primary care physicians as well as community health centers	\$198,000
RI Free Clinic	General support of operations	\$20,000
RI HIE	Collaborative to build a state wide HIE	Staff resources, input including national team presence, \$285,000
RIQI	Payer, Provider, Public Sector, Business Collaborative to	CEO on board and finance committee, \$70,000

System-wide improvement activity	Brief description of activity	Value of 2009 Plan contributions
	Improve Quality of health care in RI. Focus on Health Information	
RI Task Force on Prematurity	Women and Infants Foundation – Emergency Contraception Pamphlets	Executive director participation on premium task force, \$1,000
March of Dimes	Support for improving the health of premature babies	\$17,500
Quality Partners	Efforts to promote healthcare improvement	Medical director sits on the board
RI Medical Society	Support for physician rehabilitation program	\$5,000
RI Kids Count/Covering Kids in RI	Coalition to maintain/expand health insurance coverage for kids	Members of advisory council, \$4,500
Women & Infants Latina Conference	Conference to increase health awareness for Latina women	\$750
Physician Practice Rewards Program	Program provides monetary incentives to physicians who meet benchmark quality and efficiency standards	\$82,000
Rhode Island Parent Information Network	RIPIN provides support and advocacy for families with children with special health care needs. Optum (UBH) and Americhoice have supported peer navigators	\$1,375
Rhode Island Taskforce on Premature Births:	Statewide taskforce to develop strategies to reduce premature births. Americhoice supported professional training (brochure on Plan B) in 2008 and annual meeting in 2009	\$1,000
Women’s Health Council	State-wide committee coordinating women’s health improvement projects	Staff participation (2) in quarterly meetings
Chlamydia screening	Lead coordination of improvement project across State agencies and health plans.	Staff time
Generics First	DHS-led initiative to increase the use of generic medications for Rite Care members.	\$2 M (gap between premium reduction and reduction in pharmacy

System-wide improvement activity	Brief description of activity	Value of 2009 Plan contributions
		expense)
Department of Health Medical Directors' meeting	Quarterly briefings on public health issues	CMO participation

**OHIC - April 2010
Large and Small Group Rate Factor Review
Survey: Provider Contracting Practices.**

Background

The Health Insurance Advisory Council of the Office of the Health Insurance Commissioner has promulgated Affordability Priorities for Commercial Health Insurers in Rhode Island:

Health plans will improve the affordability of health care in Rhode Island by focusing their efforts upon provider payment reform, beginning with primary care. Achievement of this goal will not add to overall medical spend in the short-term, and is expected to produce savings thereafter. Specific areas of focus in support of this goal are as follows:

- 1. Expand and improve the primary care infrastructure in the state -- with limitations on ability to pass on cost in premiums*
- 2. Spread Adoption of the "Chronic Care Model" Medical Home*
- 3. Standardize electronic medical record (EMR) incentives*
- 4. Work toward comprehensive payment reform across the delivery system*

Provider Payment Reform efforts are proposed by experts to address weaknesses in the current payment mechanisms by promoting improved population health and improved medical care quality and efficiency – and promoting the activities that produce those results. This survey seeks to assist insurers in this work by identifying a base line in Rhode Island against which provider payment reform implementation will be assessed. Results will be tabulated and published in an aggregated report.

Directions:

1. Please fill out all parts of survey.
2. As no providers are identified and no financial details are solicited, none of this information will be considered proprietary or confidential.
3. Please contact the Office of the Health Insurance Commissioner with any questions.

Survey: Provider Contracting Practices (cont'd)

Part 1. Hospital Inpatient Services

- To be filled out for each general service (no specialty care, no rehab) institution with whom you contract in the state.
- Institution means hospital system if all contractual terms other than \$ amounts apply identically across all inpatient facilities in the contract.
- Incentives refer to activities or measures resulting in additional payments by the insurer.

Institution/ System	Duration of Current Contract from inception (years)	Unit of Payment for Services (check all that apply)	Does Contract have provision for additional outlier payments and/or severity adjusters (y/n) and any comments	Are there Quality or Customer Service Incentives in Contract (y/n) ¹ ?	Utilization Incentives in Contract: (check all that apply)	Does contract have provision for additional payments to attain revenue targets(y/n) and any comments ?	Comments
1	2	___ DRG ___x Per Diem ___ % of Charges ___ Bundled Services ___ Capitation or other budgeting ___ Others (please specify)	N	N If yes - %of total payments for inpatient services in CY 2009 spent on quality incentive payments. ² _____	___ admission reductions ___ day reductions ___ Others (please specify)	N	
2	2	___ DRG ___x Per Diem ___ % of Charges ___ Bundled Services ___ Capitation or other budgeting ___x Others (please specify) Case Rates for selected services	N	N If yes - %of total payments for inpatient services in CY 2009 spent on quality incentive payments. _____	___ admission reductions ___ day reductions ___ Others (please specify)	N	

¹ Examples include supplemental payments beyond base fees for Bridges to Excellence Measure, Medicare Compare measures, HIT adoption, or customer satisfaction measures.

² % for Incentive Payments plus % for Services = 100%. Incentive payments not specified for inpatient or outpatient should be classified as inpatient.

OHIC - April 2010
Survey: Provider Contracting Practices (cont'd)

Institution/ System	Duration of Current Contract from inception (years)	Unit of Payment for Services (check all that apply)	Does Contract have provision for additional outlier payments and/or severity adjusters (y/n) and any comments	Are there Quality or Customer Service Incentives in Contract (y/n)?	Utilization Incentives in Contract: (check all that apply)	Does contract have provision for additional payments to attain revenue targets(y/n) and any comments ?	Comments
3	4	<input type="checkbox"/> DRG <input type="checkbox"/> _x_ Per Diem <input type="checkbox"/> % of Charges <input type="checkbox"/> Bundled Services <input type="checkbox"/> Capitation or other budgeting <input type="checkbox"/> _x_ Others (please specify) case rates for selected services	N	N If yes - %of total payments for inpatient services in CY 2009 spent on quality incentive payments. _____	<input type="checkbox"/> admission reductions <input type="checkbox"/> day reductions <input type="checkbox"/> Others (please specify)	N	
4	2	<input type="checkbox"/> DRG <input type="checkbox"/> _x_ Per Diem <input type="checkbox"/> % of Charges <input type="checkbox"/> Bundled Services <input type="checkbox"/> Capitation or other budgeting <input type="checkbox"/> Others (please specify)	N	N If yes - %of total payments for inpatient services in CY 2009 spent on quality incentive payments. _____	<input type="checkbox"/> admission reductions <input type="checkbox"/> day reductions <input type="checkbox"/> Others (please specify)	N	
5	4	<input type="checkbox"/> _x_ DRG <input type="checkbox"/> Per Diem <input type="checkbox"/> % of Charges <input type="checkbox"/> Bundled Services <input type="checkbox"/> Capitation or other budgeting <input type="checkbox"/> Others (please specify)	N	N If yes - %of total payments for inpatient services in CY 2009 spent on quality incentive payments. _____	<input type="checkbox"/> admission reductions <input type="checkbox"/> day reductions <input type="checkbox"/> Others (please specify)	N	

OHIC - April 2010
Survey: Provider Contracting Practices (cont'd)

Institution/ System	Duration of Current Contract from inception (years)	Unit of Payment for Services (check all that apply) (specify)	Does Contract have provision for additional outlier payments and/or severity adjusters (y/n) and any comments	Are there Quality or Customer Service Incentives in Contract (y/n)?	Utilization Incentives in Contract: (check all that apply)	Does contract have provision for additional payments to attain revenue targets(y/n) and any comments ?	Comments
6	2	<input type="checkbox"/> _X_DRG <input type="checkbox"/> _Per Diem <input type="checkbox"/> _ % of Charges <input type="checkbox"/> _ Bundled Services <input type="checkbox"/> _ Capitation or other budgeting <input type="checkbox"/> _ Others (please specify)	N	N If yes - %of total payments for inpatient services in CY 2009 spent on quality incentive payments. _____	<input type="checkbox"/> _ admission reductions <input type="checkbox"/> _ day reductions <input type="checkbox"/> _ Others (please specify)	N	
7	2	<input type="checkbox"/> _DRG <input type="checkbox"/> _X_Per Diem <input type="checkbox"/> _ % of Charges <input type="checkbox"/> _ Bundled Services <input type="checkbox"/> _ Capitation or other budgeting <input type="checkbox"/> _X_Others (please specify) case rates for selected services	N	N If yes - %of total payments for inpatient services in CY 2009 spent on quality incentive payments. _____	<input type="checkbox"/> _ admission reductions <input type="checkbox"/> _ day reductions <input type="checkbox"/> _ Others (please specify)	N	
8	3	<input type="checkbox"/> _DRG <input type="checkbox"/> _X_Per Diem <input type="checkbox"/> _ % of Charges <input type="checkbox"/> _ Bundled Services <input type="checkbox"/> _ Capitation or other budgeting	N	N If yes - %of total payments for inpatient services in CY 2009 spent on quality incentive payments. _____	<input type="checkbox"/> _ admission reductions <input type="checkbox"/> _ day reductions <input type="checkbox"/> _ Others (please specify)	N	

OHIC - April 2010
Survey: Provider Contracting Practices (cont'd)

Institution/ System	Duration of Current Contract from inception (years)	Unit of Payment for Services (check all that apply) _x_ Others (please specify) Case Rates for selected services	Does Contract have provision for additional outlier payments and/or severity adjusters (y/n) and any comments	Are there Quality or Customer Service Incentives in Contract (y/n)?	Utilization Incentives in Contract: (check all that apply)	Does contract have provision for additional payments to attain revenue targets(y/n) and any comments ?	Comments
9		___ DRG ___ Per Diem ___ % of Charges ___ Bundled Services ___ Capitation or other budgeting ___ Others (please specify)		If yes - %of total payments for inpatient services in CY 2009 spent on quality incentive payments. _____	___ admission reductions ___ day reductions ___ Others (please specify)		
10		___ DRG ___ Per Diem ___ % of Charges ___ Bundled Services ___ Capitation or other budgeting ___ Others (please specify)		If yes - %of total payments for inpatient services in CY 2009 spent on quality incentive payments. _____	___ admission reductions ___ day reductions ___ Others (please specify)		
11		___ DRG ___ Per Diem ___ % of Charges ___ Bundled Services ___ Capitation or		If yes - %of total payments for inpatient services in CY 2009	___ admission reductions ___ day reductions ___ Others (please specify)		

OHIC - April 2010
Survey: Provider Contracting Practices (cont'd)

Institution/ System	Duration of Current Contract from inception (years)	Unit of Payment for Services (check all that apply) other budgeting ____ Others (please specify)	Does Contract have provision for additional outlier payments and/or severity adjusters (y/n) and any comments	Are there Quality or Customer Service Incentives in Contract (y/n)? spent on quality incentive payments. _____	Utilization Incentives in Contract: (check all that apply) admission reductions ____ day reductions ____ Others (please specify)	Does contract have provision for additional payments to attain revenue targets(y/n) and any comments ?	Comments
12		____ DRG ____ Per Diem ____ % of Charges ____ Bundled Services ____ Capitation or other budgeting ____ Others (please specify)		If yes - %of total payments for inpatient services in CY 2009 spent on quality incentive payments. _____			

Additional Questions for Hospital Inpatient Services

- List the five most common areas of quality and service incentives in your company's inpatient contracts: n/a
 -
 -
 -
 -
 -
- Percent of total payments to RI Hospitals for inpatient services in CY 2009 spent on quality incentive payments. _____ 0% _____

Survey: Provider Contracting Practices (cont'd)

3. Percent of total payments to RI Hospitals for inpatient services in CY 2009 paid through units of service based on efficient resource use (i.e DRG, Capitation, Bundled Service or partial/global budgeting): _____ 13% _____

Survey: Provider Contracting Practices (cont'd)

Part 2. Hospital Outpatient Services

- To be filled out for each general service (no specialty care, no rehab) institution with whom you contract in the state. Institution means hospital system if all contractual terms other than dollar amounts apply identically across all inpatient facilities in the contract.
- Outpatient Services include any services not involving an admission and covered under the contract with the institution.

Institution/ System	Unit of Payment for Outpatient Services (check all that apply)	Are there Quality or Customer Service Incentives in Contract (y/n)? ³	Utilization Incentives in Contract: (check all that apply)	Comments
1	<input type="checkbox"/> Procedure-based methodology – using plan, provider or industry coding. . <input type="checkbox"/> APC Code <input type="checkbox"/> Other (please specify)	N If yes - %of total payments for inpatient services in CY 2009 spent on quality incentive payments. ⁴ _____	<input type="checkbox"/> Visit/Volume Reduction <input type="checkbox"/> Others (please specify)	
2	<input type="checkbox"/> Procedure-based methodology – using plan, provider or industry coding. . <input type="checkbox"/> APC Code <input type="checkbox"/> Other (please specify)	N If yes - %of total payments for inpatient services in CY 2009 spent on quality incentive payments. ⁵ _____	<input type="checkbox"/> Visit/Volume Reduction <input type="checkbox"/> Others (please specify)	
3	<input type="checkbox"/> Procedure-based methodology – using plan, provider or industry coding. . <input type="checkbox"/> APC Code <input type="checkbox"/> Other (please specify)	N If yes - %of total payments for inpatient services in CY 2009 spent on quality incentive payments. ⁶ _____	<input type="checkbox"/> Visit/Volume Reduction <input type="checkbox"/> Others (please specify)	
4	<input type="checkbox"/> Procedure-based methodology – using plan, provider or industry coding. .	N If yes - %of total payments for	<input type="checkbox"/> Visit/Volume Reduction <input type="checkbox"/> Others (please specify)	

³ Examples include supplemental payments beyond base fees for structural changes such as HIT, process measures or customer satisfaction.

⁴ % for Incentive Payments plus % for Services = 100%. Incentive payments not specified for inpatient or outpatient should be classified as inpatient.

⁵ % for Incentive Payments plus % for Services = 100%. Incentive payments not specified for inpatient or outpatient should be classified as inpatient.

⁶ % for Incentive Payments plus % for Services = 100%. Incentive payments not specified for inpatient or outpatient should be classified as inpatient.

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Institution/ System	Unit of Payment for Outpatient Services (check all that apply)	Are there Quality or Customer Service Incentives in Contract (y/n)? ³	Utilization Incentives in Contract: (check all that apply)	Comments
	<input type="checkbox"/> APC Code <input type="checkbox"/> Other (please specify)	inpatient services in CY 2009 spent on quality incentive payments. ⁷ _____		
5	<input checked="" type="checkbox"/> Procedure-based methodology – using plan, provider or industry coding. . <input type="checkbox"/> APC Code <input type="checkbox"/> Other (please specify)	N If yes - %of total payments for inpatient services in CY 2009 spent on quality incentive payments. ⁸ _____	<input type="checkbox"/> Visit/Volume Reduction <input type="checkbox"/> Others (please specify)	
6	<input checked="" type="checkbox"/> Procedure-based methodology – using plan, provider or industry coding. . <input type="checkbox"/> APC Code <input type="checkbox"/> Other (please specify)	N If yes - %of total payments for inpatient services in CY 2009 spent on quality incentive payments. ⁹ _____	<input type="checkbox"/> Visit/Volume Reduction <input type="checkbox"/> Others (please specify)	
7	<input checked="" type="checkbox"/> Procedure-based methodology – using plan, provider or industry coding. . <input type="checkbox"/> APC Code <input type="checkbox"/> Other (please specify)	N If yes - %of total payments for inpatient services in CY 2009 spent on quality incentive payments. ¹⁰ _____	<input type="checkbox"/> Visit/Volume Reduction <input type="checkbox"/> Others (please specify)	
8	<input checked="" type="checkbox"/> Procedure-based methodology – using plan, provider or industry coding. . <input type="checkbox"/> APC Code <input type="checkbox"/> Other (please specify)	N If yes - %of total payments for inpatient services in CY 2009 spent on quality incentive payments. ¹¹ _____	<input type="checkbox"/> Visit/Volume Reduction <input type="checkbox"/> Others (please specify)	

⁷ % for Incentive Payments plus % for Services = 100%. Incentive payments not specified for inpatient or outpatient should be classified as inpatient.
⁸ % for Incentive Payments plus % for Services = 100%. Incentive payments not specified for inpatient or outpatient should be classified as inpatient.
⁹ % for Incentive Payments plus % for Services = 100%. Incentive payments not specified for inpatient or outpatient should be classified as inpatient.
¹⁰ % for Incentive Payments plus % for Services = 100%. Incentive payments not specified for inpatient or outpatient should be classified as inpatient.
¹¹ % for Incentive Payments plus % for Services = 100%. Incentive payments not specified for inpatient or outpatient should be classified as inpatient.

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Institution/ System	Unit of Payment for Outpatient Services (check all that apply)	Are there Quality or Customer Service Incentives in Contract (y/n)?	Utilization Incentives in Contract: (check all that apply)	Comments
9	<input type="checkbox"/> Procedure-based methodology – using plan, provider or industry coding. . <input type="checkbox"/> APC Code <input type="checkbox"/> Other (please specify)	If yes - %of total payments for inpatient services in CY 2009 spent on quality incentive payments. _____	<input type="checkbox"/> Visit/Volume Reduction <input type="checkbox"/> Others (please specify)	
10	<input type="checkbox"/> Procedure-based methodology – using plan, provider or industry coding. . <input type="checkbox"/> APC Code <input type="checkbox"/> Other (please specify)	If yes - %of total payments for inpatient services in CY 2009 spent on quality incentive payments. _____	<input type="checkbox"/> Visit/Volume Reduction <input type="checkbox"/> Others (please specify)	
11	<input type="checkbox"/> Procedure-based methodology – using plan, provider or industry coding. . <input type="checkbox"/> APC Code <input type="checkbox"/> Other (please specify)	If yes - %of total payments for inpatient services in CY 2009 spent on quality incentive payments. _____	<input type="checkbox"/> Visit/Volume Reduction <input type="checkbox"/> Others (please specify)	
12	<input type="checkbox"/> Procedure-based methodology – using plan, provider or industry coding. . <input type="checkbox"/> APC Code <input type="checkbox"/> Other (please specify)	If yes - %of total payments for inpatient services in CY 2009 spent on quality incentive payments. _____	<input type="checkbox"/> Visit/Volume Reduction <input type="checkbox"/> Others (please specify)	
12	<input type="checkbox"/> Procedure-based methodology – using plan, provider or industry coding. . <input type="checkbox"/> APC Code <input type="checkbox"/> Other (please specify)	If yes - %of total payments for inpatient services in CY 2009 spent on quality incentive payments. _____	<input type="checkbox"/> Visit/Volume Reduction <input type="checkbox"/> Others (please specify)	

Additional Questions for Hospital Outpatient Services

1. List the five most common areas of quality and service incentives in your company's hospital outpatient contracts: n/a

Survey: Provider Contracting Practices (cont'd)

- i.
ii.
iii.
iv.
v.

2. Percent of total payments to RI Hospitals for outpatient services in CY 2009 spent on quality incentive payments. _____ 0% _____
3. Percent of total payments to RI Hospitals for inpatient services in CY 2009 paid through units of service based on efficient resource use (i.e APC, Bundled Services or partial/global budgeting): _____ 0% _____

Part 3: Professional Groups

- "Professional Groups" is defined as non institutional/non facility groups with a valid contract and a single tax id number.
- Please provide for the top 10 groups (measured by \$ paid in 2009).

Group	Specialty Type	Unit of Payment for Services (check all that apply)	Are there Quality or Customer Service Incentives in Contract (y/n) ¹² ?	Utilization Incentives in Contract: (check all that apply)	Comments
1	Orthopedics	X_ Procedure-based methodology – using CPT, plan, provider or other coding. _ APC Code _ Full/ Partial Capitation _ Other (please specify)	N If yes - % of total payments for inpatient services in CY 2009 spent on quality incentive payments. ¹³ _____	_ Visit/Volume Reduction _ use of ancillary/referred services _ use of diagnostic tests _ over all efficiency of care _ use of pharmacy services _ Others (please specify)	

¹² Examples include supplemental payments beyond base fees for EMR adoption, structural changes, accreditation, process measures or patient satisfaction.

¹³ % for Incentive Payments plus % for Services = 100%. Incentive payments not specified for inpatient or outpatient should be classified as inpatient.

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Group	Specialty Type	Unit of Payment for Services (check all that apply)	Are there Quality or Customer Service Incentives in Contract (y/n) ¹² ?	Utilization Incentives in Contract: (check all that apply)	Comments
2	Primary Care	x__ Procedure-based methodology – using CPT, plan, provider or other coding. . __ APC Code __ Full/ Partial Capitation __ Other (please specify)	N If yes - %of total payments for inpatient services in CY 2009 spent on quality incentive payments. ¹⁴ _____	__ Visit/Volume Reduction __ use of ancillary/referred services __ use of diagnostic tests __ over all efficiency of care __ use of pharmacy services __ Others (please specify)	
3	Obstetrics/Gynecology	x__ Procedure-based methodology – using CPT, plan, provider or other coding. . __ APC Code __ Full/ Partial Capitation __ Other (please specify)	N If yes - %of total payments for inpatient services in CY 2009 spent on quality incentive payments. ¹⁵ _____	__ Visit/Volume Reduction __ use of ancillary/referred services __ use of diagnostic tests __ over all efficiency of care __ use of pharmacy services __ Others (please specify)	
4	General Surgery	x__ Procedure-based methodology – using CPT, plan, provider or other coding. . __ APC Code __ Full/ Partial Capitation __ Other (please specify)	N If yes - %of total payments for inpatient services in CY 2009 spent on quality incentive payments. ¹⁶ _____	__ Visit/Volume Reduction __ use of ancillary/referred services __ use of diagnostic tests __ over all efficiency of care __ use of pharmacy services __ Others (please specify)	
5	Internal Medicine	x__ Procedure-based methodology – using CPT, plan, provider or other coding. . __ APC Code __ Full/ Partial Capitation __ Other (please specify)	N If yes - %of total payments for inpatient services in CY 2009 spent on quality incentive payments. ¹⁶ _____	__ Visit/Volume Reduction __ use of ancillary/referred services __ use of diagnostic tests __ over all efficiency of care __ use of pharmacy services __ Others (please specify)	

¹⁴ % for Incentive Payments plus % for Services = 100%. Incentive payments not specified for inpatient or outpatient should be classified as inpatient.
¹⁵ % for Incentive Payments plus % for Services = 100%. Incentive payments not specified for inpatient or outpatient should be classified as inpatient.
¹⁶ % for Incentive Payments plus % for Services = 100%. Incentive payments not specified for inpatient or outpatient should be classified as inpatient.

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Group	Specialty Type	Unit of Payment for Services (check all that apply)	Are there Quality or Customer Service Incentives in Contract (y/n) ¹⁷ ?	Utilization Incentives in Contract: (check all that apply)	Comments
		plan, provider or other coding. <input type="checkbox"/> APC Code <input type="checkbox"/> Full/ Partial Capitation <input type="checkbox"/> Other (please specify)	inpatient services in CY 2009 spent on quality incentive payments. ¹⁷ _____	<input type="checkbox"/> use of diagnostic tests <input type="checkbox"/> over all efficiency of care <input type="checkbox"/> use of pharmacy services <input type="checkbox"/> Others (please specify)	
6	Internal Medicine	<input checked="" type="checkbox"/> Procedure-based methodology – using CPT, plan, provider or other coding. <input type="checkbox"/> APC Code <input type="checkbox"/> Full/ Partial Capitation <input type="checkbox"/> Other (please specify)	N If yes - % of total payments for inpatient services in CY 2009 spent on quality incentive payments. ¹⁸ _____	<input type="checkbox"/> Visit/Volume Reduction <input type="checkbox"/> use of ancillary/referred services <input type="checkbox"/> use of diagnostic tests <input type="checkbox"/> over all efficiency of care <input type="checkbox"/> use of pharmacy services <input type="checkbox"/> Others (please specify)	
7	Cardiology	<input checked="" type="checkbox"/> Procedure-based methodology – using CPT, plan, provider or other coding. <input type="checkbox"/> APC Code <input type="checkbox"/> Full/ Partial Capitation <input type="checkbox"/> Other (please specify)	N If yes - % of total payments for inpatient services in CY 2009 spent on quality incentive payments. ¹⁹ _____	<input type="checkbox"/> Visit/Volume Reduction <input type="checkbox"/> use of ancillary/referred services <input type="checkbox"/> use of diagnostic tests <input type="checkbox"/> over all efficiency of care <input type="checkbox"/> use of pharmacy services <input type="checkbox"/> Others (please specify)	
8	Cardiology	<input checked="" type="checkbox"/> Procedure-based methodology – using CPT, plan, provider or other	N If yes - % of total payments for inpatient services in CY 2009	<input type="checkbox"/> Visit/Volume Reduction <input type="checkbox"/> use of ancillary/referred services <input type="checkbox"/> use of diagnostic tests	

¹⁷ % for Incentive Payments plus % for Services = 100%. Incentive payments not specified for inpatient or outpatient should be classified as inpatient.
¹⁸ % for Incentive Payments plus % for Services = 100%. Incentive payments not specified for inpatient or outpatient should be classified as inpatient.
¹⁹ % for Incentive Payments plus % for Services = 100%. Incentive payments not specified for inpatient or outpatient should be classified as inpatient.

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Group	Specialty Type	Unit of Payment for Services (check all that apply)	Are there Quality or Customer Service Incentives in Contract (y/n) ¹² ?	Utilization Incentives in Contract: (check all that apply)	Comments
		coding . ___ APC Code ___ Full/ Partial Capitation ___ Other (please specify)	spent on quality incentive payments. ²⁰ _____	___ over all efficiency of care ___ use of pharmacy services ___ Others (please specify)	
9	Hematology/ Oncology	x ___ Procedure-based methodology – using CPT, plan, provider or other coding . ___ APC Code ___ Full/ Partial Capitation ___ Other (please specify)	N If yes - %of total payments for inpatient services in CY 2009 spent on quality incentive payments. ²¹ _____	___ Visit/Volume Reduction ___ use of ancillary/referred services ___ use of diagnostic tests ___ over all efficiency of care ___ use of pharmacy services ___ Others (please specify)	
10	Internal Medicine	x ___ Procedure-based methodology – using CPT, plan, provider or other coding . ___ APC Code ___ Full/ Partial Capitation ___ Other (please specify)	N If yes - %of total payments for inpatient services in CY 2009 spent on quality incentive payments. ²² _____	___ Visit/Volume Reduction ___ use of ancillary/referred services ___ use of diagnostic tests ___ over all efficiency of care ___ use of pharmacy services ___ Others (please specify)	

²⁰ % for Incentive Payments plus % for Services = 100%. Incentive payments not specified for inpatient or outpatient should be classified as inpatient.
²¹ % for Incentive Payments plus % for Services = 100%. Incentive payments not specified for inpatient or outpatient should be classified as inpatient.
²² % for Incentive Payments plus % for Services = 100%. Incentive payments not specified for inpatient or outpatient should be classified as inpatient.

Survey: Provider Contracting Practices (cont'd)

Additional Questions for Professional Groups

1. List the five most common areas of quality and service incentives in your company's professional group contracts: N/A
 - i.
 - ii.
 - iii.
 - iv.
 - v.
2. Percent of total payments to these ten professional groups in CY 2009 spent on quality incentive payments. ____0% ____
3. Percent of total payments to these ten professional groups in CY 2009 paid through units of service based on efficient resource use (i.e APC, Bundled Services or partial/global budgeting): ____0% ____